

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101

IN THE MATTER OF: :

SCOTT L. MATHIS :

CRD #1362203 :

ORDER OF DENIAL OF
AGENT REGISTRATION

To: Scott L. Mathis.
33 Union Square West - Apt 4F
New York, NY 10019

Donald Geraghty
Investprivate, Inc.
500 5th Avenue
New York, NY 10110

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law (1997) N.J.S.A 49:3-47 to 76 ("Law"), more particularly, N.J.S.A. 49:3-58 and after careful review and due consideration of:

1) National Association of Securities Dealers Hearing Officer Complaint, Department of Enforcement v. Investprivate, Inc. et. al. Disciplinary Proceeding No. C10040052, (May 11, 2004); the Bureau Chief has determined that Scott L. Mathis' application for agent registration with Investprivate, Inc., CRD #103737, will be DENIED for the reasons below.

BACKGROUND

1. Scott L. Mathis ("Mathis"), CRD #1362203, 33 Union Square West - Apt 4F New York, New York 10019 has submitted a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") to the Bureau through the Central Registration Depository System ("CRD") to register in New Jersey as an agent of Investprivate, Inc. ("Investprivate"), CRD # 103737, headquartered at 500 Fifth Avenue, New York, New York 10110.

2. From February 1988 through September 1989, Mathis was registered in New Jersey as an agent of Lehman Brothers, Inc., CRD #7506.

3. From September 1989 through December 1990, Mathis was registered in New Jersey as an agent of Oppenheimer & Co., Inc., CRD #630.

4. From October 1990 through January 1991, Mathis was registered in New Jersey as an agent of Alex. Brown & Sons Incorporated, CRD #20.

5. From February 1991 through August 1995, Mathis was registered in New Jersey as an agent of Gruntal & Co., Inc., CRD #372.

6. From March 1996 through July 1998, Mathis was registered in New Jersey as an agent of The Boston Group, CRD #7569.

7. From July 1998 through September 2000, Mathis was registered in New Jersey as an agent of National Securities Corporation, CRD #37652.

8. According to the employment history in the CRD, from April 1999 to the present, Mathis was employed as co-chairman of Investprivate, Inc, CRD #103737.

9. In 1999 Mathis applied in New Jersey as an agent for Investprivate, Inc. His application was deficient, and he subsequently terminated his application without being approved in New Jersey on August 15, 2002. According to the CRD, his job was discontinued on February 24, 2004.

10. Mathis reapplied in New Jersey for registration as an agent for Investprivate on April 27, 2004.

11. Mathis completed an original Form U-4 in connection with his application for registration through Investprivate on November 25, 1999. Mathis answered in the negative to question 23M of the Form U-4 which asked "Do you have any unsatisfied judgments or liens against

you?"

12. In a review of his 2004 application, it was discovered that Mathis had several unsatisfied federal tax liens.

13. On or about August 9, 1996 the Internal Revenue Service ("IRS") prepared a Notice of Federal Tax Lien against Mathis for the tax periods ending 1993 and 1994. The unpaid balance for the tax period ending December 31, 1993 was \$132,927.07 and for the tax period ending December 31, 1994 was \$141,599.61 for a total lien of \$274,526.68 against Mathis.

14. On or about September 23, 1998 the IRS prepared a lien in the amount of \$53,302.53 against Mathis in connection with his unpaid income tax liability for the tax period ending December 31, 1995.

15. On or about May 11, 1999 the IRS prepared a lien in the amount of \$179,429.07 against Mathis in connection with his unpaid income tax liability for the tax period ending December 31, 1997.

16. According to the IRS tax account information for Mathis, the IRS intent to levy due process notice relating to 1994, 1995, and 1997 liens were issued on May 26, 1999.

17. According to the IRS tax account information for Mathis, the IRS intent to levy due process notice relating to 1994, 1995, and 1997 liens return receipt(s) were signed with a transaction date of June 10, 1999.

COUNTS

I

MATHIS HAS FILED AN APPLICATION WHICH CONTAINS FALSE OR MISLEADING STATEMENTS

N.J.S.A. 49:3-58(a)(1); N.J.S.A. 49:3-58(a)(2)(i)

18. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

19. Mathis' negative response to the question asked in line 23M of the U-4 that he filed on November 25, 1999 is false or misleading. Specifically, Mathis had knowledge of the outstanding IRS liens against him, and failed to disclose them pursuant to question 23M of the Form U-4.

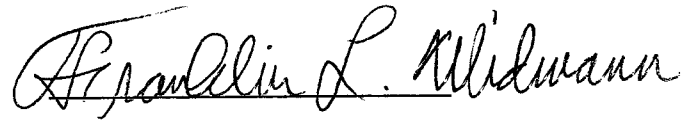
20. Therefore, there is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(i), and it is in the public interest, pursuant to N.J.S.A. 49:3-58(a)(1), to deny Mathis' application for registration as a securities agent of Investprivate.

By virtue of the foregoing, it is hereby found that denial of the application of Mathis to register with the Bureau as an agent of Investprivate, Inc.:

(a) will accomplish the protection of investors by excluding such persons from the securities business and deterring others from committing similar violations;

(b) is consistent with purposes fairly intended by the policy and provisions of the Law, namely, engendering confidence that those licensed to effect securities transactions will deal fairly and honestly with the investing public.

THEREFORE, IT IS ON THIS 14th DAY OF October 2004 ORDERED that Scott L. Mathis' application for registration as an agent of Investprivate, Inc. be DENIED.

A handwritten signature in cursive script that reads "Franklin L. Widmann". The signature is written in dark ink and is positioned above the printed name and title.

Franklin L. Widmann, Chief

Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-58(c)(2), upon service or notice of the Denial Order issued by the bureau chief, the applicant shall have up to fifteen (15) days to respond to the Bureau in the form of a written answer and written request for a hearing. A request for a hearing must be accompanied by a written response in accordance with N.J.A.C. 13:47A-13.13 addressing specifically each of the reasons set forth in the Order which formed the basis for its entry. A general denial is unacceptable.

Pursuant to N.J.S.A. 49:3-58(c)(2), the bureau chief shall, within five (5) days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Pursuant to N.J.S.A. 49:3-58(c)(3), if an applicant fails to respond by filing a written answer and request for a hearing with the Bureau within the fifteen (15) day prescribed period, the Order shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action denying your application for registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action. N.J.S.A. 49:3-70.1.

You are further advised that the entry of this Order of Denial does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.